



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

May 18, 2006

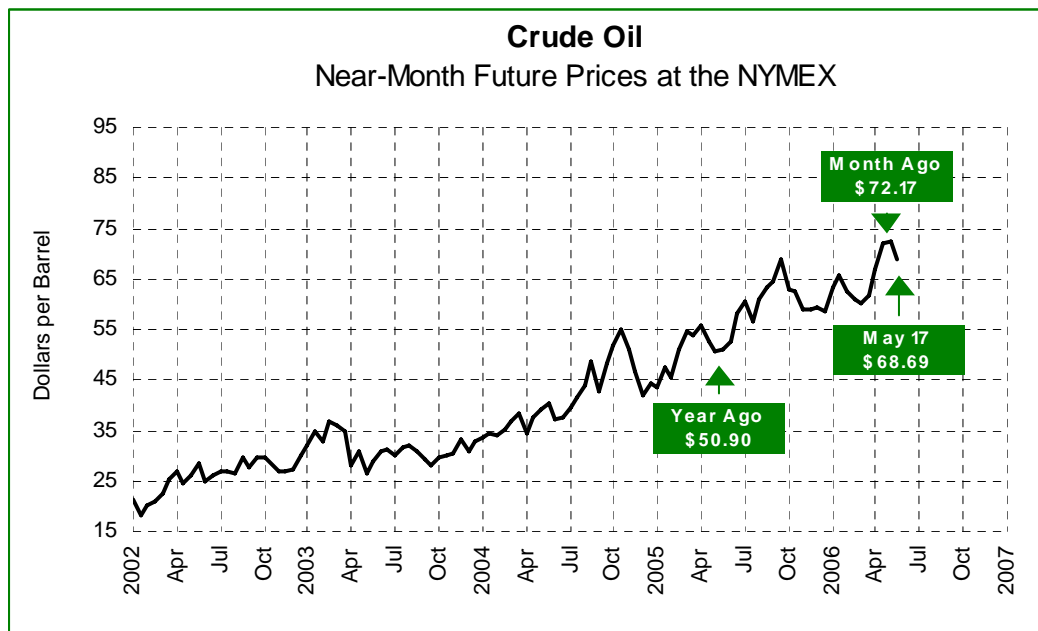
Crude Oil

On May 17, crude oil futures for June delivery on the NYMEX fell \$0.84 to settle at \$68.69 per barrel in response to improved U.S. gasoline supplies and flat consumer demand.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>05-17-06</u>	<u>04-19-06</u>	<u>change</u>	<u>05-25-05</u>	<u>change</u>
NYMEX	\$68.69	\$72.17	down 5%	\$50.90	up 35%

- Crude oil futures for June delivery on the NYMEX dropped \$0.84 yesterday to settle at \$68.69 per barrel, on concern that high prices were feeding inflation and potentially slowing the economy. EIA oil inventory data contributed to the drop on Wednesday indicating gasoline stocks rose even though refinery utilization fell. Despite the fact that refinery runs decreased a little, refineries were still able to increase gasoline stocks. Record retail prices have slowed US gasoline demand so far this year to 0.3 percent, compared to the normal 1.5 to 2.0 percent growth seen in recent years. A separate report from the American Petroleum Institute showed US gasoline demand fell 1.9 percent last month from April 2005, with overall oil demand off 1.5 percent.



- U. S. crude oil supplies decreased 0.1 million barrels to 346.9 million barrels for the week ending May 12, and are 12.9 million barrels or 4 percent higher than last year at this time. Crude supplies fell due to lower crude oil production and crude oil imports for the week ending May 12. U.S. crude

oil production fell to 5.0 million barrels per day, well below the 5.5 million barrels per day reported at this time last year. Crude imports fell slightly to 9.81 million barrels per day compared to 10.26 million barrels at this time last year.

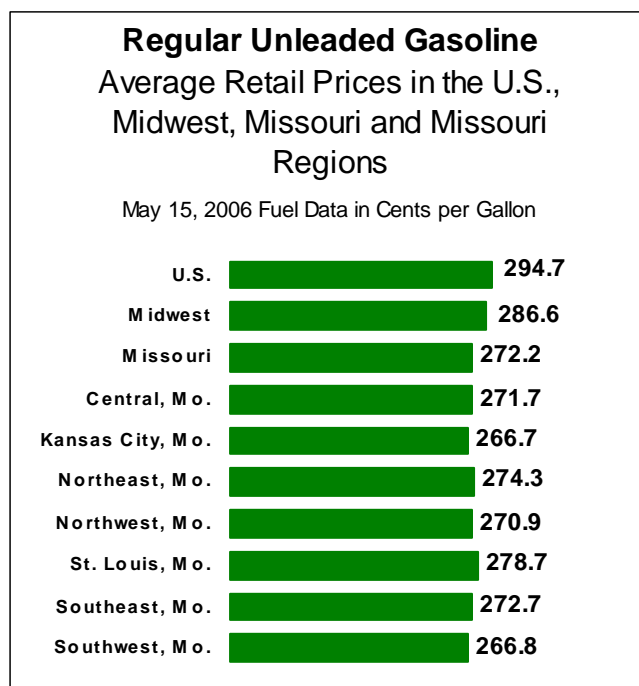
- The U.S. Minerals Management Service (MMS) reports that as of Wednesday, May 3, approximately 324,000 barrels or 21.63 percent of the Gulf's 1.5 million barrels per day of crude production continues to be shut down following the hurricanes. MMS will no longer provide recovery statistics since there has been minimal improvement in the production numbers and this appears to be a trend that will continue with incremental movement over the next several months.
- Refinery runs fell 0.4 percent from the previous week to 89.8 percent of capacity as U.S. refineries reported operational issues. Weekly refinery utilization remained flat at 15.3 million barrels of crude oil per day compared to nearly 15.5 million barrels at this time last year.

Transportation Fuels

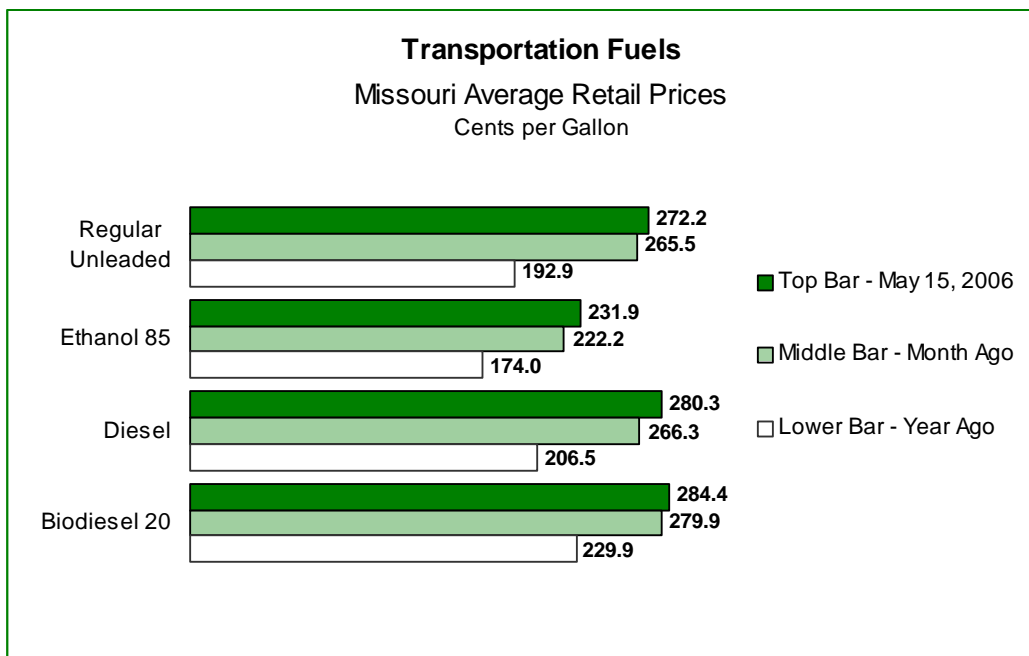
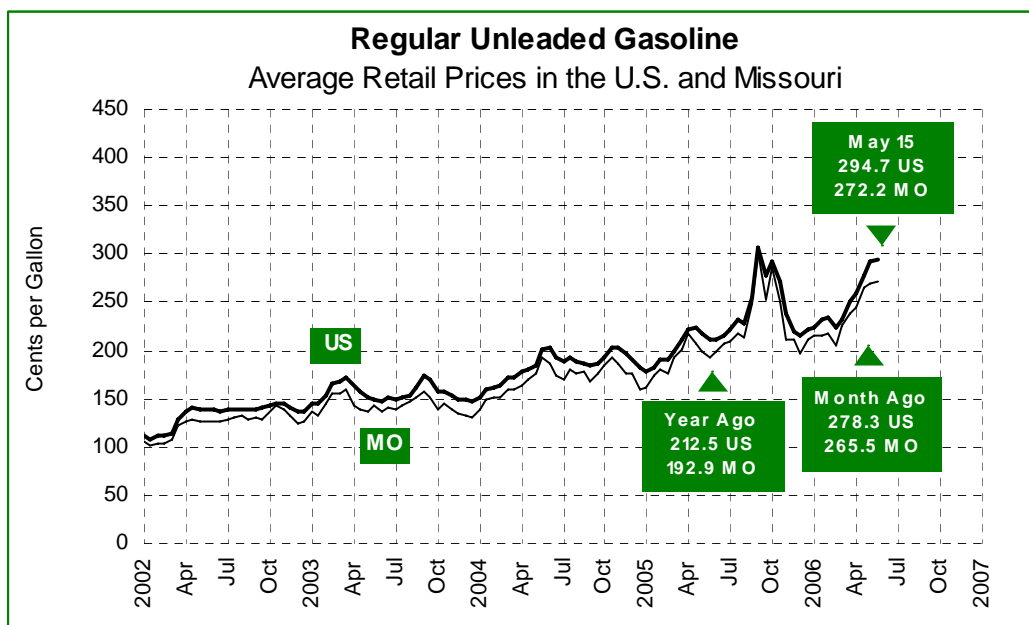
On May 15, Missouri's average retail price for regular unleaded gasoline was \$2.72 while diesel fuel was \$2.80 per gallon, an increase of 3 percent and 5 percent, respectively, compared to this time last month.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>05-15-06</u>	<u>04-17-06</u>	<u>change</u>	<u>05-23-05</u>	<u>change</u>
US	294.7	278.3	up 6%	212.5	up 39%
Missouri	272.2	265.5	up 3%	192.9	up 41%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>05-15-06</u>	<u>04-17-06</u>	<u>change</u>	<u>05-23-05</u>	<u>change</u>
US	292.0	276.5	up 6%	215.6	up 35%
Missouri	280.3	266.3	up 5%	206.5	up 36%



- On May 12, Missouri's statewide average gasoline retail price was up 6.7 cents while diesel retail prices were up 14 cents from last month. Transportation fuel prices have declined 24.45 cents since May 12 at the NYMEX. Current retail price figures reflect the higher crude oil prices earlier in the month based on concerns about foreign crude oil production and lower gasoline supplies.



- Gasoline supplies are up 1.3 million barrels or 2 percent from a month ago at 206.4 million barrels compared to 215 million at this time last year. During the last six weeks, supplies declined nearly 5.4 million barrels. Implied demand for gasoline has remained flat last week, but the four-week aggregate number is the same as last year at 9.14 million. Gasoline imports fell slightly by 0.2 million barrels per day, but U.S. gasoline output increased to 9.2 million barrels per day compared to 8.9 million last year at this time.

Motor Gasoline - Total Stocks (millions of barrels)

	<u>05-12-06</u>	<u>04-14-06</u>	<u>change</u>	<u>05-20-05</u>	<u>change</u>
US	206.4	202.5	up 2%	215.4	down 4%

- Distillate stocks, which include heating oil and diesel fuel fell by 0.1 million barrels to 114.6 million barrels. Once again, the decline was primarily diesel fuel. Distillate production fell 0.1 million to 3.9 million barrels with imports relatively unchanged at 0.33 million. Implied demand remained flat at 4.1 million barrels per day, compared to 4.2 last year at this time.

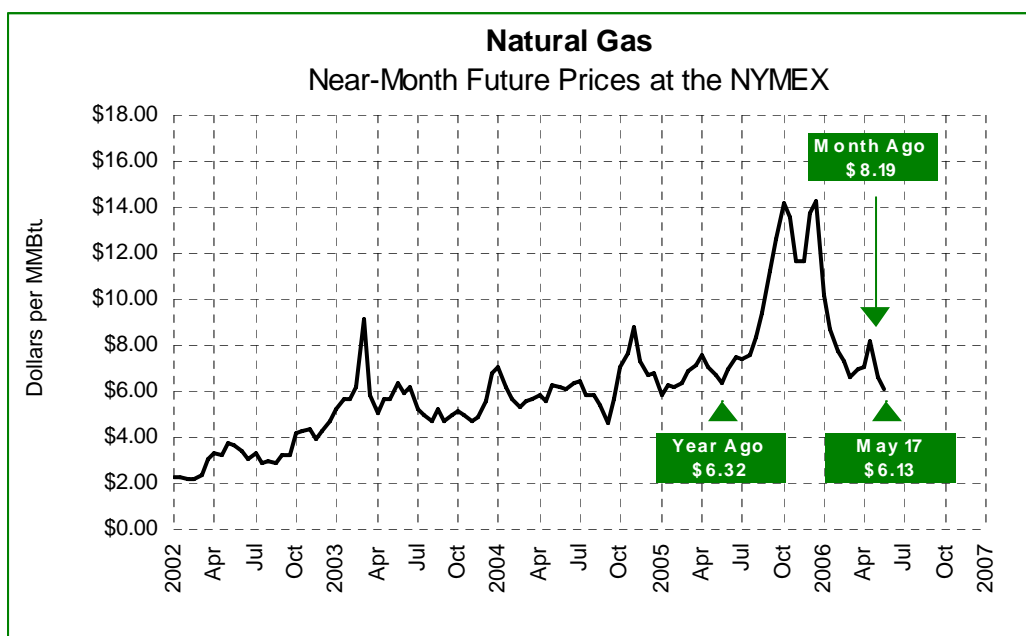
Natural Gas

On May 17, natural gas futures closed at \$6.13 per MMBtu, a decrease of 25 percent or \$2.00 since last month.

Natural Gas - Near Month Future Prices (dollars per mmbtu)

	<u>05-17-06</u>	<u>04-19-06</u>	<u>change</u>	<u>05-25-05</u>	<u>change</u>
NYMEX	\$6.13	\$8.19	down 25%	\$6.32	down 3%

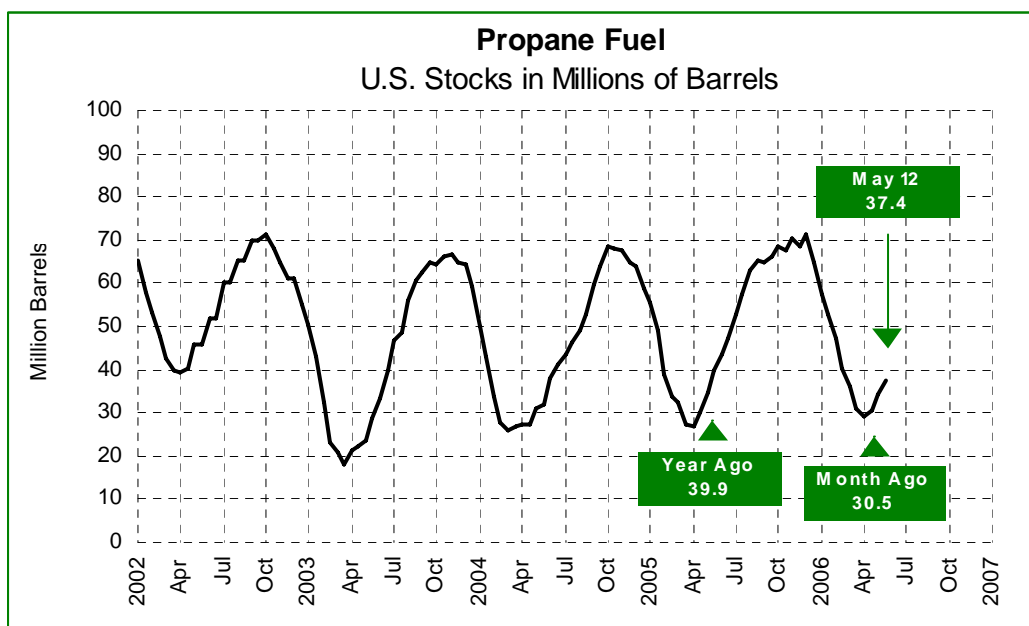
- Natural gas spot prices decreased this week (Wednesday – Wednesday, May 10-17) at virtually all market locations, partly because of weak weather-related demand and a decrease in the price of crude oil. The price of the NYMEX futures contract for June delivery at the Henry Hub settled at \$6.13 per MMBtu, decreasing 77 cents or about 11 percent since last Wednesday.
- Working gas in storage was 2,080 billion cubic feet (Bcf) as of Friday, May 12, 2006, which was 53.2 percent above the 5-year average, according to EIA's *Weekly Natural Gas Storage Report*. As of May 3, the U.S. Minerals Management Service estimated that nearly 1.3 billion cubic feet per day or approximately 13 percent of the Gulf's natural gas production remains shut down. MMS will no longer provide recovery statistics since there has been minimal improvement in the production numbers and this appears to be a trend that will continue with incremental movement over the next several months.



Propane

Missouri's average retail propane price was \$1.62 per gallon on May 1, an increase of 12 percent, or \$0.17 from May 2005.

Propane - Residential Prices (cents per gallon)					
	05-01-06	04-03-06	change	05-09-05	change
Missouri	162.0	160.9	up 1%	145.0	up 12%



- U.S. propane inventories continued moderately higher last week with a 1.8-million-barrel increase that put them at an estimated 37.4 million barrels as of May 12, 2006, a level that remains well within the average range for this time of year. Midwest inventories improved by 0.8 million barrels to 16 million barrels for the week ending May 12. Inventories stood at 12.8 million barrels at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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